GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:4326
ANSWERED ON:12.08.2002
PREMIUM FOR COTTON CROP IN GUJARAT
SAVSHIBHAI MAKWANA

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the premium for cotton crop in Gujarat has been doubled in Kharif 2002 season as compared to Kharif 2001;

(b) if so, whether there is need to avoid such sharp increase in premium which will adversely affect the interest of cotton farmers;

(c) if so, whether the Government are considering any remedial measures to reduce the burden on the farmers; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a): Yes Sir. The premium for cotton crop in Kharif 2001 was 5.05% which has been increased to 9.80% in Kharif 2002 season.

(b): Yes Sir. However, this sharp increase or decrease in the premium rates is due to increase or decrease in the variability of the past yield data of the insured crop based on which actuarial rates are worked out.

(c) & (d): As the actuarial rates are worked out by the General Insurance Corporation of India based on the set methodology, therefore, they may come down in due course of time with the reduction in the variability of yield. However, the small and marginal farmers are provided premium subsidy to the extent of 50% on sunset basis.